



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: WRAA 16-008, **Version:** 1

Consider approving a Project Labor Agreement for the Interlake Tunnel and Spillway Modification Projects; and, authorizing the Chair of the Monterey County Water Resources Agency Board of Supervisors to execute the Project Labor Agreement.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Agency Board of Supervisors and Board of Directors:

Approve a Project Labor Agreement for the Interlake Tunnel and Spillway Modification Projects; and, authorize the Chair of the Monterey County Water Resources Agency Board of Supervisors to execute the Project Labor Agreement.

SUMMARY/DISCUSSION:

Board Order WRAG 16-007, No. 1, Corrected II, passed and adopted February 9, 2016 included the following:

1. Required a PLA for the project and authorized and directed staff to enter into negotiations for the PLA; and,
2. Required that the PLA is only effective if the projects are delivered pursuant to the design/build authority set forth in AB 155, and the state appropriates and delivers adequate funding or at least the \$25 million pursuant to AB1585; clarified that the \$25 million is not IRWMP or other grant funding, this is specific to new money from AB1585.

The purpose of entering into a Project Labor Agreement (“PLA”) is to promote efficiency of construction operations on the Interlake Tunnel and Spillway Modification Projects (the “Projects”) as defined herein, and to provide for peaceful settlement of labor disputes and grievances without disruption caused by strikes or lockouts, thereby promoting the Agency’s interest in having timely and economical completion of the Project. The rationale for entering into a PLA at this early stage of the Projects is to ensure Building Trades support of AB1585 passage.

The PLA negotiation team for the Agency is comprised of the following individuals:

- Jesse Avila, Deputy County Counsel - Monterey County;
- David Chardavoyne, General Manager - Monterey County Water Resources Agency;
- Joan Cox, Partner - Burke, Williams & Sorensen, LLP; and,
- Ron Drake, Vice President - EPC Consultants, Inc.

The first PLA negotiating meeting was held on February 12, 2016 to develop a negotiating process plan. Commencing February 22, 2016, seven additional negotiation sessions were held among the Agency, Monterey/Santa Cruz Counties Building Trades Council and Tri-Counties Building and Construction Trades Council (collectively, “Building Trades”), before the attached Project Labor Agreement was agreed upon by all Parties. All-in-all, 11 separate drafts were exchanged between the Parties.

Other stakeholders, who had previously expressed an interest in the PLA negotiations, were notified on February 19th that negotiations had commenced and a meeting with those stakeholders was held on March 3, 2016.

On February 22, 2016, there were 33 significant areas for negotiation, as shown on the attached schedule. Those narrowed to the six discussed at the March 22, 2016 Agency Board of Supervisors meeting. The disposition of each is as follows:

1. Availability of services with signatory trade crafts within County: Agency accepted Building Trades commitment that referred employees would be local.
2. Exclusion of required Environmental Mitigation: Agreement was reached whereby offsite-required environmental mitigation was excluded; but onsite environmental mitigation is included in the PLA.
3. Effectiveness of PLA: Language contained in Board Order WRAG 16-007 and requirement of a favorable 218 vote accepted by Building Trades. PLA will only apply to Design-Build contract work.
4. Composition of Arbitration Panel: Compromise language accepted to include two (2) Contractor-approved arbitrators.
5. Payment into Building Trades benefit plans for non-referral employees: Agency accepted Building Trades position that such payments are required since thus far no California PLA was found that prohibited such payments.
6. FERC-related requirements for background checks for personnel working at Dam sites: Building Trades accepted Agency proposal.

While the Trades Councils agreed to make the effective date of the PLA conditioned on a successful Prop 218 vote and appropriations from AB 1585, there is no deadline as to when the County must receive that AB 1585 funding. Agency negotiators sought to add such a deadline by requiring receipt of state funding “during calendar year 2016.”

OTHER AGENCY INVOLVEMENT:

Office of County Counsel has been involved in the PLA negotiation process.

Due to the late submission of the report, the CAO Budget and Analysis division was not provided adequate time to review for potential fiscal, organizational, policy or other implications to the County of Monterey.

FINANCING:

Outside legal expenses are currently estimated at \$154,400. The most significant effort by contract counsel occurred during the month of March. Contract counsel will be paid from Fund 116, subject to reimbursement from the Third Reimbursement and Funding Agreement.

Prepared &

Approved by:

David E. Chardavoyne, General Manager, (831) 755-4860

Attachments:

1. Project Labor Agreement
2. WRA BOS Executed Board Order WRAG 14-053
3. WRA BOS Executed Board Order WRAG 16-007
4. Schedule of Initial Significant Areas of Negotiation
5. PowerPoint